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DEPARTMENT FOR EUR/SCE

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TAGS: [PINR](#) [PREL](#) [KAWC](#) [HR](#)

SUBJECT: CROATIA,S INTEL SERVICE SHAKE UP EXPECTED TO  
IMPROVE COOPERATION WITH U.S.

Classified By: PolOff Justin Friedman, reasons 1.4 (b), (c) & (d)

SUMMARY AND COMMENT

1. (S) With the confirmation of Veselko Grubisic as new Director of the Croatian Intelligence Agency (OA), the GoC is asserting positive control over the intel services. Along with new chief of Counterintelligence Agency (POA) Josko Podbevsek, (named earlier this year), Grubisic should be more willing to cooperate with us and more forceful in pursuit of ICTY fugitive general Gotovina. President Mesic appears to have approved this move despite previously telling the Ambassador he opposed putting a party person at the top of the OA. The press speculates that the GoC will recreate the National Security Bureau (NSB) to coordinate among the three intel services (including military intelligence), with former NSB head and President Mesic loyalist Tomislav Karamarko returning to run it, although Karamarko may not be confirmable in this position. We will welcome these changes for their promise of improving our intel cooperation, but will watch closely for signs of the services straying back into political waters. END SUMMARY AND COMMENT.

2. (U) On September 15 the Parliamentary Committee on Internal Affairs and National Security upheld the nomination of Veselko Grubisic as the new Director of the Intelligence Agency (OA). Grubisic was jointly proposed by President Mesic and Prime Minister Sanader to replace outgoing OA chief Damir Loncaric, who had recently announced his resignation.

3. (C) Loncaric was forced out of his position in large part due to pressure on Mesic by Western governments for his removal. Media have speculated that Loncaric was leaving as part of an understanding between the President and the PM whereby Mesic would agree to Sanader bringing his people to the leading positions in the intelligence community in exchange for a) HDZ not running a negative campaign against him during the presidential race, and b) re-establishing a supervisory and coordination body (such as the former National Security Bureau) which would be headed by someone of his choice. Parliament may be unwilling to approve recreating the NSB; opposition parties fear a return to the unsavory mix of intel and politics of the Tudjman era.

4. (C) Mesic's former campaign chief and National Security Bureau head Tomislav Karamarko has publicly denied rumors that he would return to the post. Karamarko told Emboff only that he would be meeting with Mesic this week, but Karamarko did not contradict his business partners at the Soboli security consulting firm when they asserted that they fully expect him to leave the private sector and take up a recreated NSB post in the coming months. We have heard rumors that Karamarko has political skeletons in his closet that may make him unconfirmable, should this post be created.

5. (S) Veselko Grubisic is a veteran of the Ministry of Foreign Affairs, and prior to his appointment was Assistant Minister in charge of security analysis and communications security. In February 2004, he co-led the GoC delegation to Washington for the Senior Policy Exchange on Export Control Issues. FM Zuzul designated Grubisic as our primary point of contact with MFA on intelligence issues, including the search for Gotovina.

6. (U) Earlier in his diplomatic career Grubisic dealt with NATO and international security issues. From 1991 to 1996 he lived in Sydney, Australia where he managed an electronic company and led the local HDZ chapter in 1995-96. During his confirmation hearing testimony, Grubisic told the Sabor Committee that his focus would be business intelligence. Grubisic holds an M.A. in international relations and B.S. in mechanical engineering. The press has reported his close links with Foreign Minister Miomir Zuzul and current Ambassador to the U.S. Neven Jurica.

7. (U) The new deputy chief of OA, Stribor Kikerec (whose appointment was announced in the press in June) comes from inside the intelligence community. Until recently he was

chief of the OA station in Moscow. Earlier in his career he was an assistant director of HIS, the intelligence agency that has now been replaced by OA. The press notes that he was Sanader's personal choice, in much the same way as was the new chief of Counterintelligence Agency (POA) Josko Podbevsek, who replaced Franjo Turek earlier this year. Together with President Mesic's former national security advisor Zeljko Bagic, Turek was reported to be in touch with people from organized criminal circles that allegedly assist fugitive general Ante Gotovina, and therefore had to go.

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